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MEMORANDUM FOR: The Director of the Bureau of the Budget

SUBJECT: CIA Legislative Program

1. This is in reply to the President's memorandum of October 5, 1951, directing heads of departments and agencies of government to submit their legislative programs for the next legislative session of Congress.

2. The legislative program of the Central Intelligence Agency for 1952 will consist of one bill containing approximately ten items. These items are generally related to the Central Intelligence Act of 1949 (Public Law 110, 81st Congress).

3. A detailed draft of this proposed legislation will be submitted for clearance in time for forwarding to the Congress when it reconvenes in January 1952. The requested amendments will not require any additional funds inasmuch as they involve only clarification of Administrative authorities of the Agency. Legislative drafts will be submitted to the Bureau in conformance with the provisions of Bureau of the Budget Circular A-19.

4. The Central Intelligence Agency desires to be included in any proposal which would authorize retroactive payment to its employees of increases similar to those authorized by Public Law 201 (82nd Congress) in basic rates of compensation for classified employees. This would provide retroactive compensation for the period beginning with the first day of the first pay period after June 30, 1951 and terminating on October 24, 1951. Although the rate of compensation provided by Public Law 201 has been adopted by CIA, the Comptroller General has ruled that retroactive payments cannot be made without specific legislative authority. It is understood that this authority will be sought by the Bureau of the Budget in a supplemental

appropriation bill for those agencies not provided for in Public Law 201. If this information is correct, the issue can be resolved as a budgetary matter and need not be included in a Central Intelligence Agency legislative program.

5. It is suggested that this proposed legislation contain a proviso which will place the retroactive compensation under tax provisions in existence prior to passage of the Revenue Act of 1951 (Public Law 183, 82nd Congress) inasmuch as the affected income was earned prior to the effective date of the provisions of that Act.

WALTER B. SMITH
Director

ODCI/CBH/WLP/ERS:nhh

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